



Your Guide to Taking Over and Running a Community Asset

A guide to the information, processes and tasks involved in taking over and running community assets

Contents

3

Introduction

3

Why do we want to?

4

Tenure

Buying the property or asset

Entering into a lease

5

How much will it cost?

Working out projected costs

Budgeting for the expected and the unexpected

Maintenance: reducing your operating costs

Insurance

Fundraising for Community Centres

Generating income

Financial Management

10

Getting the Committee right

Legal status: limiting your liability

Understanding your legal responsibilities

Managing staff and volunteers

13

Demonstrating community benefit

Outcomes monitoring

14

Communications

14

Where to go for support and information

Introduction

This handbook has been compiled by the Transforming Local Infrastructure project partners in North Tyneside to help community organisations who are considering taking on the responsibility of a community asset.

It will provide you with the information you need to understand some of the things involved in running, managing or owning a building, piece of land, or anything else that can be described as a community asset.

Some key questions to ask at the beginning are:

- Why do we want to?
- How much will it cost?
- What are our legal responsibilities?
- How will my community benefit?

Why do we want to?

Running a community building or asset is one of the most challenging and demanding tasks a community organisation can undertake, but it can also be one of the most rewarding.

Before embarking on this exciting project, you need to be sure that your group is committed to the long term responsibilities involved and has the energy, enthusiasm and stamina to see it through.

There are a number of things you need to consider before taking on the responsibility of a community asset. You should be a properly constituted group with a governing document (constitution) that allows you to manage a building or other community asset.

Your management committee must understand, and be confident about their roles and responsibilities and you should also know where to get specialist advice and support.

If you are thinking about taking on the responsibility of a community building or asset, you must think about the long term viability and sustainability of your project. Community consultation, business planning and financial forecasting are all important parts of the process.

Although these may also sound daunting, there are many sources of support and advice available for your group and many groups have successfully taken on community buildings or assets that continue to thrive.

See: <http://mycommunityrights.org.uk/my-community-rights/>

Tenure

There are three main forms of tenure for community buildings or assets. These are:

- Buying the property or asset
- Entering into a lease
- Entering into a use and occupation license with the owner

Buying the property or asset

Community Right to Bid was introduced in the Localism Act to enable increased community ownership of assets. This new legislation sits alongside the power of local authorities to transfer assets to local communities. Funding is secured through a mixture of grants, donations, loans and social investments.

Information about these community rights can be found at:

<http://mycommunityrights.org.uk/my-community-rights/>

Entering into a lease

A lease is a legal document that sets out the responsibilities of you, the tenant, and your landlord (normally the owner of the asset). It is a legal document and is often written in unfamiliar language but it is important that your committee fully understands the lease and the implications of signing it.

For an example of an asset lease and explanation of the language see:

<http://locality.org.uk/resources/asset-transfer-legal-toolkit-stake/>

There are two key things to do if you are considering signing a lease:

1. Ensure that your Board of Trustees is properly constituted and has limited liability – this means that the lease is signed on behalf of the organisation and no one individual can be held responsible for the terms of the lease.
2. Be clear about what the terms of the lease mean for your organisation and what responsibilities you are undertaking when you sign a lease agreement. This includes understanding how much rent will be due, the duration of the lease, who is responsible for ongoing repairs and maintenance and what the running costs are likely to be.

For more information:

VODA Information sheet 8.10 - Managing your own Community Centre:

http://www.voda.org.uk/cms/assets/files/managing_comm_centre_mar12.pdf

Asset Transfer Unit: <http://locality.org.uk/our-work/assets/asset-transfer-unit/>

and model lease at <http://locality.org.uk/wp-content/uploads/CAT-draft-HOTs-2012-Final.pdf>

Please ensure you access the most up to date advice as possible – you need to comply with the most recent legislation.

Entering into a use and occupation license

This is a legal agreement which enables you to lease a building and to provide services from the premises.

Asset Transfer Unit: <http://locality.org.uk/our-work/assets/asset-transfer-unit/>
and model lease at <http://locality.org.uk/wp-content/uploads/CAT-draft-HOTs-2012-Final.pdf>

How much will it cost?

When you are managing a community building or asset, you must be aware of the costs involved and the resources you have available.

Things you have to budget for include initial costs for the purchase or lease agreement, day to day running costs and the long term resources required to maintain and develop your community asset.

Running costs will include:

- Rent or mortgage payments
- Utilities - gas, electric, water, phone
- Rates
- Repairs and maintenance (including service contracts
- Insurances
- Salary costs
- Equipment - purchase, repair and replacement
- Telephone
- Communication - leaflets, newsletters, website
- Events
- Petty cash / expenses
- Training

A realistic budget is essential to help you plan your finances and to work out whether your plans are viable.

Working out projected costs

You need to be able to predict your future costs as accurately as possible as these inform your budget and financial plans.

Your budget should detail what you expect to spend and what you expect to come in, it is important to be realistic in your forecasts and you must also include a year on year percentage increase in costs and allow for depreciation.

Budgeting for the expected... and the unexpected

You also need to budget for long term major repair and replacement projects such as heating systems, windows and electrical systems which can generally be spread out over 20 to 30 years.

It is sensible to develop a specific fund (sometimes referred to as a 'sinking fund') which will require a specific amount to be set aside each year in anticipation of replacement costs.

For example, a three year old heating system that is likely to need to be replaced after 25 years at a cost of £25,000 will require you to save £1000 per year in anticipation of this cost.

It is also possible to build this fund into your fundraising strategy, many churches do this very successfully – you may have seen 'Church Roof Replacement' fundraisers.

VODA (or your local CVS) can support you in project and business planning and help you to develop a budget.

For more information:

VODA Information sheet 8.6 - Writing a Business Plan

http://www.voda.org.uk/cms/assets/files/writing_business_plan_mar12.pdf

VODA Information sheet 4.3 – Budgets

http://www.voda.org.uk/cms/assets/files/budgets_mar12.pdf

For more detail on all aspects of asset transfer:

<http://mycommunityrights.org.uk/wp-content/uploads/2012/04/To-Have-and-To-Hold.pdf>

Asset Transfer Unit: <http://locality.org.uk/our-work/assets/asset-transfer-unit/>

NCVO: <http://www.ncvo-vol.org.uk/psd/commissioning/costs>

Please ensure you access the most up to date advice as possible – you need to comply with the most recent legislation.

Maintenance: Reducing your operating costs

There are many ways that community organisations can keep operating costs down but this requires constant attention by the management committee. Some suggestions include checking your renewal prices for items such as insurance, telephone, utilities – there are often introductory offers that can really reduce costs so it makes sense to shop around.

Check if you are a member of an organisation that negotiates group discounts on items you use and, if you aren't, investigate whether there are any that you can join – paying a low membership fee can be worth it for the discount on group purchases.

There are some funders who support community assets to be more environmentally friendly – if you can get a grant for solar panels, ground source heat pump or other self generating power you can reduce your costs, improve your sustainability and take advantage of the social value of being 'green'.

Many private sector organisations want to help local charities – sometimes with money more often with some form of volunteer support. This can range from staff volunteering to do environmental clean ups, painting rooms to refurbishment of rooms – local social housing providers may well run a charity support scheme and be able to do some level of building refurbishment.

Local small firms are also often willing to help support their local charity by doing small jobs within their expertise.

For more information:

Skillsbridge <http://skills-bridge.org/> and Sector Connector <http://www.voda.org.uk/cms/projects/sector-connector> bring businesses and community and voluntary sector organisations together.

<http://www.appliedse.co.uk/experience/third-sector>

<http://www.carbontrust.com/resources/guides/energy-efficiency/buildings-energy-efficiency/cost>

Insurance

There are at least four types of insurance you will certainly need if running a building:

- Buildings Insurance
- Contents Insurance
- Employers' liability insurance - if you employ people
- Public liability insurance

You may also want to consider taking out Trustee Liability Insurance and insuring against the costs of equipment breakdown and servicing.

For more information:

VODA Information Sheet - 4.2 Insurance

http://www.voda.org.uk/cms/assets/files/insurance_mar12.pdf

Fundraising for Community Assets

Fundraising for major refurbishment or construction of a community asset is a big challenge and can take a long time. To increase your chances of success, it is important you follow these four key steps:

1. Prepare your organisation

Think about the responsibilities involved and how your group is organised and structured. Funders will need to know your committee can comply with all the legal requirements of managing a building open to the public and possibly employing staff.

Your committee may need additional training and support to develop the skills and knowledge to manage a building.

2. Develop a funding strategy

You need to consider a strategy or action plan, for a one to three year period that identifies different stages of the project.

This needs to include any capital investment for building or refurbishment and any revenue funding to cover costs like utilities bills, building maintenance and any staff costs.

3. Gather information

This can include statistics, plans, documents, projected costings, letters of support and expressions of interest. Different funders might want different information, so be clear about what is required and when the information is needed.

Remember to tailor your applications to each funder and not to send out general appeal letters.

4. Start local

You could start by approaching members and groups within your community. DIY fundraising can encourage your local community to get involved and provide publicity that could be a positive first step for your fundraising efforts.

VODA (or your local CVS) can provide support around developing a fundraising strategy.

For more information:

VODA Information Sheet 3.1 – Developing a Funding Strategy

http://www.voda.org.uk/cms/assets/files/developing_funding_strategyMar12.pdf

VODA Information Sheet 3.6 – Funding for Community Centre

http://www.voda.org.uk/cms/assets/files/funding_for_commcentres_mar12.pdf

VODA Information Sheet 3.8 – Ten steps to Funding Success

http://www.voda.org.uk/cms/assets/files/10_steps_success_mar12.pdf

Asset Transfer Unit : <http://locality.org.uk/our-work/assets/asset-transfer-unit>

<http://locality.org.uk/wp-content/uploads/Civic-Buildings-the-show-must-go-on.pdf>

Generating income

In order to pay for your asset you may need to generate income. It is important to consider as many ways as possible of generating income to maintain and develop your asset.

You should think about what your asset can provide that people might be willing to pay for.

Do you have rooms or other facilities that you could hire out – either to regular users or for occasional events?

Does your committee have other skills and experience that could be used to generate income?

Are you keeping up to date with grant funding and other local funding opportunities?

Can you make a surplus from some activities to pay for others?

Are you working hard to make sure that people know about your asset and encouraging them to use it?

Financial Management

Establishing an effective financial management system is critical if your group decides to take on a community building or asset.

You are likely to already have financial management systems in place, but it is important to ensure that these remain fit for purpose as your project develops and your responsibilities grow. Your funders, members and (in some cases) the Charity Commission will require you to prepare management accounts and to report on your finances. You should ensure that you have a number of trustees who can read, understand and question your financial information.

VODA (or your local CVS) is able to provide support and training in establishing financial management systems and have model spreadsheets available for you to use. You can also find out about financial services that incur a cost, such as the independent examination of accounts and book keeping services.

For more information:

VODA Information sheet 4.4 – Cash flow forecasts

http://www.voda.org.uk/cms/assets/files/cash_flow_forecasts_mar12.pdf

VODA Information sheet 4.3 - Budgets

http://www.voda.org.uk/cms/assets/files/budgets_mar12.pdf

<http://www.ncvo-vol.org.uk/advice-support/funding-finance/financial-management>

http://www.cass.city.ac.uk/__data/assets/pdf_file/0014/132008/6Finance.pdf

Getting the Committee right

There are many legal and financial aspects to consider when running a community building. You will need to comply with all the legal and financial requirements of managing a building that is accessible to the public, which may also include employing staff or sessional workers.

Management committees include people with a wide range of skills and experiences, and conducting a skills audit can be a useful way of discovering what these skills are and identifying any gaps that can be filled, either by training existing members, recruiting new members or buying in specialist support.

VODA (or your local CVS) can provide a wide range of development support and training for Management Committees and Trustees.

For more information:

VODA Information sheet 2.1 – Roles of a committee member

http://www.voda.org.uk/cms/assets/files/roles_of_committee%20member_feb12.pdf

VODA Information sheet 2.8 – Effective meetings

http://www.voda.org.uk/cms/assets/files/effectivemeetings_feb12.pdf

Training and other information <http://www.trusteenet.org.uk/homepage>

See sample skills audit at Governance pages

www.governancepages.org.uk/sampleddocuments/skills-audit

Policies and procedures

You will need to ensure that your organisation has appropriate policies and procedures in place to comply with legal requirements and to ensure the safety, security and smooth running of your community building or asset.

These will include Health and Safety, Equal Opportunities, Safeguarding and Volunteering. For further information and advice about policies and procedures, you should contact VODA or your local CVS.

For more information:

<http://voda.org.uk/cms/resources/policies>



Understanding your legal responsibilities

When running a community building or asset, there are a number of legal responsibilities your group must be aware of. These vary depending on what you do with your asset and whether you employ any staff.

These include:

- Health and safety
- Risk assessments
- Disability Discrimination Act (DDA) compliance
- Food safety – if you will be serving food
- Protection of children and vulnerable adults - Disclosure and barring service

VODA (or your local CVS) is able to support your committee in understanding your legal responsibilities. There are also many resources available online such as:

<http://knowhownonprofit.org/people/employment-law-and-hr/policies-and-templates/healthsafety>

VODA Information Sheet 8.4 - Disclosure and Barring Service

http://www.voda.org.uk/cms/assets/files/disclosure_and_barring_service_may13.pdf

Please ensure you access the most up to date advice as possible – you need to comply with the most recent legislation.

Legal status: limiting your liability

When running community buildings or assets, you will need to enter into legal agreements, whether this is a lease for the land or building or when you employ staff. However the law recognises only individuals and companies, there is no separate legal status for organisations which are not companies.

This means that where a charity is not a company, any legal agreement is signed by individuals on behalf of the charity, not the charity itself. Trustees could be held personally liable for any debts or outstanding bills.

How you can limit your liability

The two most straightforward ways of limiting your liability are:

- Becoming a Charitable Company

This is the preferred option for existing charities. The charity needs to register with both Companies House and the Charity Commission. Members guarantee that they will play a nominal amount e.g. £1 - £10 should the company wind down.

- Become a Charitable Incorporated Organisation

If you are a new charity, the easiest way to limit your liability is to become a Charitable Incorporated Organisation (CIO). This is a new legal form which means CIOs won't have to register with both Companies House and Charity Commission.

Be aware though this is a new legal structure and there may be issues around borrowing, so seek advice on the best legal status for you.

When running community buildings or assets, you will need to enter into legal agreements,

Remember that limiting your liability does not mean that you aren't liable for anything. You must still ensure that the committee act prudently, reasonably and not fraudulently and ensure that appropriate policies, procedures and systems are in place to run your organisation effectively.

For more information:

VODA Information Sheet 1.3 – Becoming a Charitable Company

http://www.voda.org.uk/cms/assets/files/becoming_charitable_company_jan12.pdf

VODA Information Sheet 1.6 - Incorporating an Existing Charity

http://www.voda.org.uk/cms/assets/files/Incorporating_an_Existing_Charity.pdf

VODA Information Sheet 2.13 – Charitable Incorporated Organisations

<http://www.voda.org.uk/cms/assets/files/Charitable%20Incorporated%20Organisations.pdf>

Managing staff and volunteers

Whether your community building or asset is run purely by volunteers or whether it has paid staff, your committee is responsible for ensuring that systems are in place to provide management and support.

Everyone involved in your centre should be properly supported to undertake their roles and the committee should understand the additional requirements and responsibilities it takes on if it employs staff. HMRC provides detailed guidance for employers on its website.

For more information:

VODA Information sheet 8.8 – Employing a Worker

http://www.voda.org.uk/cms/assets/files/employing_worker_sep12.pdf

VODA Publication – Involving Volunteers, a good practice guide

<http://www.voda.org.uk/cms/assets/files/VODAGPG01%20compressed.pdf>

<http://hmrc.gov.uk/employers/index.shtml>

Demonstrating community benefit

It is important that you can describe why you want to develop or manage a community building or asset and also how members of the community benefit from what you hope to do.

Potential funders, partners and the wider community will all want to know this and asking these questions will help you to understand how much local support and enthusiasm there is for your project. This will assist you in assessing the viability of your ideas and in developing your plans.

Community consultation is an approach that can help you to ensure that your community actually wants you to run the asset and also to ascertain that what you use the asset for is useful to the community.

There are a number of ways to consult with and involve communities and resources to help you ensure you are doing this effectively. Tools you might use could include questionnaires, online surveys, focus groups and telephone interviews.

For more information:

Asset Transfer Unit: <http://locality.org.uk/our-work/assets/asset-transfer-unit/>

Charities Evaluation Service:

<http://www.ces-vol.org.uk/tools-and-resources/outcomes-and-outcome-indicators>

Recording and Demonstrating Impact

In order to ensure the long term future of your community building or asset, you need to be able to evidence your achievements. This means proving to funders, partners and the wider community that there are benefits to what you do.

There are a number of methodologies and systems to help you collect the information you need to demonstrate the impact of your activities and you need to select the one that is most appropriate for your organisation.

For more information:

www.ces-vol.org.uk/tools-and-resources/outcomes-and-outcome-indicators

Contact VODA (or your local CVS) for advice about how to record and demonstrate impact.

Communications

If you are thinking about taking on the responsibility of a community asset, you need to think about ways of ensuring that the community knows where you are and what you do.

You could have the best community centre in the world, with fantastic facilities but if nobody knows your building is there, nobody will make use of it. That's why it's so important to market and publicise what you do.

It is very important to make sure that your efforts are cost effective and that you don't waste valuable resources for example in producing lots of leaflets that will go out of date quickly or that people are unlikely to read.

Some 'top tips' around marketing include:

- Make sure your message is clear
- Have a strong brand
- Think strategically
- Make use of the web
- Get press releases right
- Befriend the local press
- Think about your budget
- Networking and word of mouth are very often the most effective methods of marketing.

For more information:

VODA Information Sheet 6.1 - Writing a Press Release for the Local Press

http://www.voda.org.uk/cms/assets/files/6_1%20-%20writing%20a%20press%20release.pdf

Where to go for support and information

Your local CVS:

In North Tyneside, this is VODA (the Voluntary Organisations Development Agency)

The Shiremoor Centre
Earsdon Road
Shiremoor
NE27 OHJ
0191 643 2626
www.voda.org.uk

You can find your local CVS at

<http://www.navca.org.uk/directory>

Locality – the community organisations network

33 Corsham Street
London
N1 6DR
0845 458 8336

www.locality.org.uk